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Is the CIA Hobbled?

The Central Intelligence Agency is under fire once again. For years, the CIA was accused—often recklessly—of doing too much, of hatching too many plots against too many foreign leaders and violating the rights of too many Americans. The abuse-of-power issue is rarely heard anymore. Now, in the aftermath of intelligence failures in Iran, Afghanistan and other countries, the CIA stands accused of doing too little. "We don't have a lot of good intelligence," charges one of the government's highest ranking intelligence officers. "The value of what we have to analyze in almost any part of the world is far less than satisfactory—and far less than most Americans think we have."

The most critical failure came in Iran. In August 1977, the CIA reported that "the Shah will be an active participant in Iranian life well into the 1980s." A year later, an agency study said that "Iran is not in a revolutionary or even a 'pre-revolutionary' situation." Once the extent of the debacle was clear, President Carter and a House committee sharply criticized the CIA's performance. The agency's top Iranian analyst and his two immediate superiors chose to retire. "When people hash over what has been known about Iran, the most significant things were in newspapers—and not necessarily our own," complains one Administration official.

HAMPERED BY POLICY

In part, the CIA was hampered by America's support of the Shah, which prevented CIA agents in Iran from infiltrating the opposition. Policy also interfered with the analysis of intelligence, encouraging experts—at the State Department, the National Security Council and the CIA—to underestimate the Shah's vulnerability. At one point, the CIA even dismissed direct warnings from at least one foreign intelligence agency that the Shah faced serious internal unrest and the threat of Soviet destabilization.

There are also serious questions about Washington's ability to keep intelligence secrets. Some foreign intelligence agencies are holding back information they once freely shared with the CIA, and their chiefs complain privately about the potential for leaks from the eight Congressional committees that oversee the CIA. They are also claiming that former CIA men are able to publish books containing sensitive inside information. Beyond that, the theft of a highly classified manual by a young CIA employee named William Kampiles last year, and the apparent suicide of John Arthur Paisley, a veteran specialist on the Soviet Union, have raised new concerns over security at the CIA.

CIA director Stansfield Turner, 55, gets a large share of blame for the agency's problems. In his two-year tenure, Turner has presided over the most thoroughgoing shake-up of the CIA since its creation in the cold-war days of 1947, and the mood in some corners of the agency is bitter. Soon after taking office, Admiral Turner sent pink slips to some 800 veteran employees, and since then, hundreds of experienced agents have taken early retirement, draining the agency's clandestine operations of veteran spies. Some sources inside and outside the agency agree with Turner that the house cleaning was beneficial, clearing out an intelligence Establishment too set in its ways and finally permitting the advancement of younger people. But others, like a veteran station chief in Asia, say Turner has "gutted" the CIA's operational division and created a "disastrous morale problem."

In his shake-up, Turner decided to appoint outsiders—from Harvard, the Rand Corporation, the Congressional Budget Office and even the Social Security Administration—to run almost every CIA division. "It goes down hard when a whole new set of guys comes in with, if not hostility, at least deep skepticism about the CIA's capabilities and good sense," says one displaced agency official. And the newcomers generated more hostility by farming out some important assignments. "Any time the agency has to go out and have Rand or TRW write an estimate for us, we ought to go out of business," says another senior official.

Bruce Hoertel

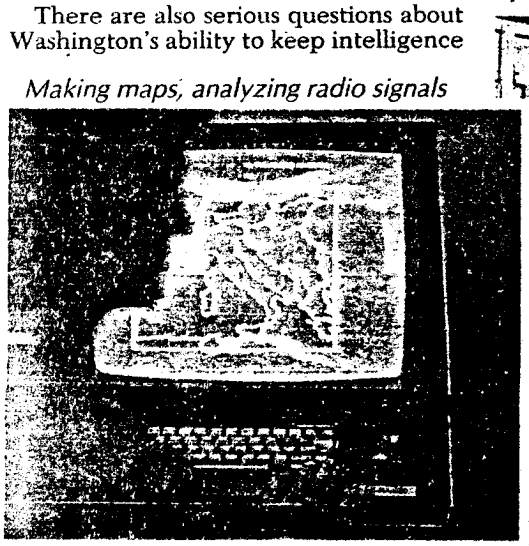
Turner: 'I'm a controversial person'

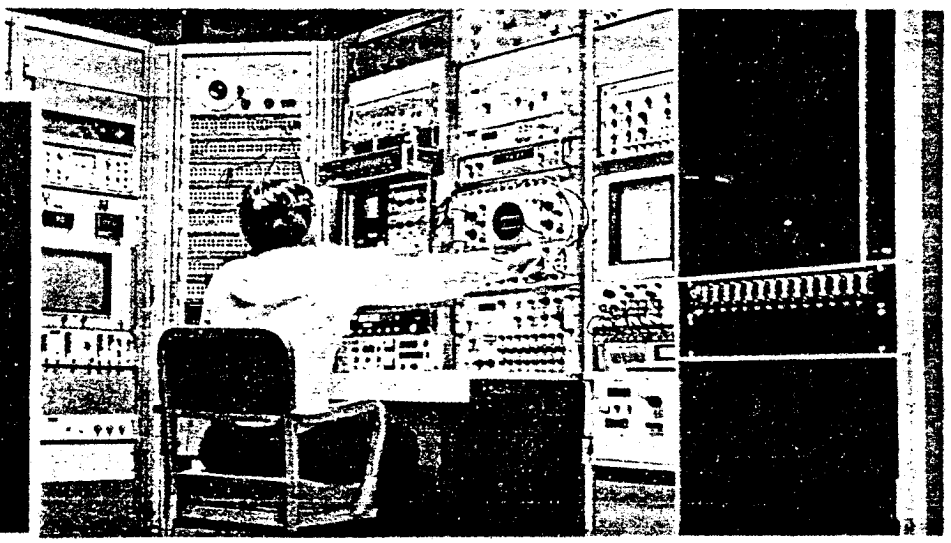
RESOURCES AND PRIORITIES

But the weakness in U.S. intelligence goes far beyond Turner's alleged managerial shortcomings. For one thing, all the intelligence agencies are limited by a budget that has not grown in real terms for several years. And some experts believe that too large a portion of the remaining resources are used on military studies of the Soviet Union—at the expense of important economic and political developments elsewhere. "The U.S. really hasn't caught up to the very ordinary business of learning a great deal about what has become a very large world," says one top Pentagon official.

For another thing, the CIA seems plagued by a bureaucratic emphasis on

Making maps, analyzing radio signals





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quick factual studies at the expense of long-term analysis. "Our intelligence is mainly interested in facts and hard data, [not in] projecting trends," says a top-ranking foreign policy official. "We're doing a better job of collecting intelligence than analyzing it," adds Sen. Walter Huddleston of Kentucky, a member of the Senate Intelligence Committee.

LIMITS OF TECHNOLOGY

Other critics say the CIA relies too heavily on technical intelligence—"hard copy stuff" from a vast array of spy satellites, reconnaissance planes and radio-intercept stations—and not enough on judgmental human intelligence from agents on the ground. Technical intelligence provided some advance warning of the current Chinese attack on Vietnam and last summer's offensive by Ethiopian military forces in Eritrea, plus solid assurance that the Ethiopians were not preparing to invade neighboring Somalia. But it was not much help in gauging the upheavals in Iran and Afghanistan.

Turner has tried for more than a year to redress the imbalance, reports a White House source, but the problem persists. "It's so much easier to gather technical intelligence than it is to probe into political and social processes and into the minds of people," explains this source. "You can show photos to the boss day after day and tickle the hell out of him," adds a veteran analyst. "But you can't go back to your human source day after day or he won't be there for very long." By avoiding human sources, the agency also avoids the risk of an embarrassing involvement in another country's affairs.

AP

Counterspy Angleton: Out in the cold

In the past, foreign intelligence services helped fill the gap by sharing their own cloak-and-dagger information with the CIA—but these days they are far less forthcoming. The standoffishness is partly a reaction to changing U.S. foreign policy. South Africa's intelligence agencies, for example, began withholding information when they sensed Washington's growing support for black African nations. The CIA still maintains close ties with Israel's Mossad, which passes on information about Russia from new Soviet immigrants. But Israeli intelligence officials have also grown more cautious since President Carter took a more evenhanded approach with their Arab enemies. "Time and again they find that American technical advisers who work in Israel turn up in Saudi Arabia, and that disturbs them," says one intelligence source.

DESTABILIZATION OPERATION

In Europe, intelligence directors are appalled by what they see as an increased potential for leaks by staffers who serve on Congressional oversight committees. NEWSWEEK's Arnaud de Borchgrave reports that European intelligence agencies, afraid of such leaks, have withdrawn from several covert operations they had proposed to run jointly with the CIA. Sometimes the CIA itself has been forced to drop out. On one occasion, there was a chance of thwarting a Soviet destabilization operation in black Africa, if the CIA could supply just three cargo planes without insignia. Because of the CIA's need to clear this with Congressional committees, Turner refused to go along. West German intelligence directors still share informa-

A TALK WITH TURNER

In an interview with NEWSWEEK *at his Langley, Va., headquarters, director Stansfield Turner said that the CIA had improved considerably in the past year—benefiting from new management procedures and from more specific direction by the National Security Council. Despite the failures in Iran, Turner said that the CIA's analytic efforts won more plaudits from Administration officials than in the previous year. The CIA is also recruiting on college campuses again. "We're not hiding our light under a bushel basket," said Turner. More excerpts:*

NEWSWEEK: ***What went wrong in Iran?***

TURNER: What was wrong was something that was wrong with our country's approach to Iran for four or five years. It was wrong in the CIA, it was wrong in the State Department, it was wrong in the American media, it was wrong in the military. We were not sensitive enough to the cumulative effect of the rate of change in Iran. And if we had been more sensitive. . . American policy might have been different.

Q. ***What lesson have you learned from Iran?***

A. This agency has had to expand into economics, politics and the psychology of leaders around the world—a multitude of new disciplines and geographical areas of interest. There's also a problem of how to deal with a very close ally; the thought of prying into his private national affairs is something you don't consider, because he'll tell you what's going on.

Q. ***Are you getting more cooperation today than a year ago from the French, British or Israeli intelligence services?***

A. I think we're a little better off, but I wouldn't make it a major improvement. The sense of disquiet as to whether we can contain information has improved some. There have been very few leaks out of Congress, which was their major worry. The leaks have been books by former CIA agents Philip Agee, Frank Snepp and John Stockwell. The people in other countries just don't understand why we can't keep classified information out of the public domain. They don't think we will inhibit the next Stockwell if we don't take action [now]. But the laws of this country don't permit us to prosecute [a man] just for releasing classified information . . . unless he deliberately gave it to a foreign power.

Q. ***What about internal security? Have you reassured yourself that the Kampiles espionage case has not gone deeper—to some sort of high-level traitor or "mole" inside the agency?***

A. Around Kampiles, I find no evidence whatsoever of a mole. I won't say there is no mole in the agency, because if I did, I would show a complacency that would be dangerous. We sit here and try to be constantly vigilant.

Q. ***Why are there so many reports of antipathy between you and people in the White House and Congress?***

A. I'm a controversial person. When you are taking an organization like this through major change, there is resistance. In this job, my responsibility is to bring objectivity to the analysis of foreign-policy problems—and that frequently means I am the bearer of bad news.

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UPI

Iranian students demonstrating in Teheran: A critical failure of intelligence

tion—but without sensitive details about their sources, de Borchgrave reports.

The thought that CIA headquarters itself has been penetrated is even more chilling, and it has become a staple of popular journalism and Washington cocktail conversation. During the trial last year of Kampiles, who was found guilty of selling the Russians a secret manual on a sophisticated surveillance satellite, the agency disclosed that more than a dozen copies of the manual were unaccounted for. Former CIA Director Richard Helms suggested that Kampiles might have been an unwitting dupe of some traitor on a far higher level at the agency. The speculation about such a "mole" grew more heated after the mysterious death of John Arthur Paisley, a retired Soviet analyst who was still working as a CIA consultant.

DESTROYED FROM WITHIN?

The paranoia has gone so far that former CIA director William Colby sometimes tells audiences jokingly: "I am not a mole." And a station chief in Asia says, with utmost seriousness, that the mole theory is "the only explanation for some of the things that have been happening in the past few years. The CIA is being destroyed from within." Senate Intelligence Committee chairman Birch Bayh vigorously disagrees. "The agency has done everything humanly possible to find out if it's true," Bayh says. "They are confident, as I am, that it's not."

Mole madness seems to be a recurring malady at the CIA. In the mid-1960s, under the direction of former counterintelligence chief James Jesus Angleton, a score of CIA officers came under suspicion. Though nothing was ever proved, the careers of some high-ranking officials suffered, and the agency's Soviet operations were paralyzed. Angleton himself even came under suspicion at one point, NEWSWEEK has learned. A special mole-hunting unit was permitted to spend two years dissecting Angleton's career, and drew up an extensive case against the brilliant but abrasive counterspy. It stressed Angleton's heavy reliance on a defector from the Soviet intelligence service (KGB) named Anatoli Golitsin, and many instances in which CIA files showed no action by Angleton on important leads.

No investigation—surveillance, bugging or wiretapping—of Angleton was ever authorized. And in 1974, sources said, the top brass at the CIA dismissed the case against him as too circumstantial and speculative. But Colby forced Angleton into retirement that same year, along with three of his aides. Colby said he simply had no faith in Angleton's "tortuous conspiracy theories" about Soviet penetration. "Any allegation that Angleton was a Soviet agent was not a factor," Colby insisted to NEWSWEEK.

Given the wholesale house cleaning at the CIA under Turner, the notion of a top-level turncoat planted years ago at the agency seems more unlikely today than ever. But all the talk about it, and the criticism of American intelligence generally, present a problem for officials who are trying to frame a charter to govern the behavior of intelligence agencies. Some critics say the charter will be yet another restriction on the CIA's ability to do its job. As a result, support for it is waning, and Bayh reckons that unless the charter is passed by at least one house of Congress this term, it will never become law.

The biggest problem is how to protect the rights of U.S. citizens during intelligence probes. A group of Administration officials and Congressional staffers is trying to set ground rules that will require top-level approval from the Justice Department—or perhaps a court warrant—for a variety of investigative techniques ranging from a check of bank records to physical surveillance.

'WHAT IS EXPECTED OF US'

Restrictions on covert activities overseas would probably match fairly closely those already in effect under a White House Executive Order. Still under debate is just how much information must be given to the Congressional oversight committees—especially when such operations involve allied intelligence services. The CIA has cut sharply the number of covert operations, but a small number still take place. There aren't more, says Turner, "not because we are not allowed to do them but because we can't find the applicability of covert action to our country's needs at this time." Turner says that the new charter is essential if American intelligence agencies—and the public—are to know precisely "what is expected of us and what is not expected."

What is expected of the CIA boss himself is a clear demonstration that he can produce top-grade intelligence within the new constraints. Some Congressional leaders still remain to be persuaded, and the Senate Intelligence Committee has sent staff members to half a dozen countries to evaluate the operations of U.S. intelligence agencies. And even though Turner is an old Annapolis schoolmate of Jimmy Carter, his future at the CIA may well depend on "the strength of Congressional concerns and the depth of Congressional investigations," says one Administration aide. "The President can't go into the 1980 campaign with the baggage of discredited people." Turner's CIA has been put through some hard times, and now it has to show it can still do its job effectively.

AP

Paisley (below), Kampiles: Fears of an internal security breach

—DAVID M. ALPERN with DAVID MARTIN in Washington, ARNAUD de BORCHGRAVE in Europe and bureau reports